



DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Public Workshop on Corporate Average Fuel Economy Reporting Templates

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Notification of public workshop.

SUMMARY: This notice announces that the National Highway Traffic Safety Administration (NHTSA) will hold a workshop to present three new compliance reporting templates for the Corporate Average Fuel Economy (CAFE) Program. The workshop will provide a demonstration of the use of the templates which automobile manufacturers will use to provide NHTSA required compliance data. Vehicle manufacturers and other interested parties who wish to attend the workshops are asked to pre-register (the workshop will be held virtually) and are invited to submit reporting questions and credit related technical issues to be considered for discussion during the workshops. Attendance requires electronic registration and confirmation in advance and is free.

DATES: NHTSA will hold the public workshop on Jan 27th, 2022, from 8:30 a.m. to 4 p.m., Eastern Standard Time. Log-in on the day of the workshop will begin at 8:30 a.m.

ADDRESSES: The public workshop will be held virtually. Attendees should register online at <https://register.gotowebinar.com/register/9085063788931066894>, by January 13, 2022.

Registration is necessary for all attendees. Please provide your name, email address, and affiliation. Interested parties wishing to submit comments or questions should submit their questions when they register. NHTSA will attempt to address those submissions as a part of the workshop. The Agency may also attempt to answer any questions that come up after January 13th, to the extent possible during the workshop. NHTSA also intends to publish FAQs on the

templates following the workshop, which may also incorporate questions received during registration.

FOR FURTHER INFORMATION CONTACT: If you have questions about registering or connecting to the public workshop, please contact NHTSA staff at NHTSA.Communication@dot.gov or Chris LaMance at (202) 366-9525. For any legal questions, contact Michael Kuppersmith at michael.kuppersmith@dot.gov or (202) 366-9957. For questions concerning the workshop discussions contact Maurice Hicks at Maurice.Hicks@dot.gov or (202) 366-5289.

SUPPLEMENTARY INFORMATION: 49 CFR Part 537, “Automotive Fuel Economy Report,” requires manufacturers to provide early model year projections on automobiles demonstrating how they intend to comply with CAFE standards. The regulation requires manufacturers to submit a pre-model year report by December 31st before the model year and a mid-model year report by July 31st of the model year. When NHTSA received and reviewed manufacturers’ projection reports for MYs 2013 through 2015, the agency observed that most did not conform to the requirements specified in Part 537. In a 2015 notice of proposed rulemaking, NHTSA proposed to amend Part 537 to require a new data format for manufacturers’ CAFE projection reporting template.¹ However, NHTSA did not adopt the proposed data format from the 2015 proposed rule after receiving adverse comments from manufacturers.²

After identifying the sources of manufacturers’ concerns, in the April 2020 CAFE final rule, NHTSA established a new standardized template for reporting PMY and MMY information, as specified in 49 CFR 537.7(b) and (c), as well as for the supplementary information required by

¹ 80 FR 40540 (Jul. 13, 2015).

² 81 FR 73958 (Oct. 25, 2016).

49 CFR 537.8. The new template allows manufacturers to build out the required confidential versions of CAFE reports specified in 49 CFR Part 537 and to produce automatically the required non-confidential versions by clicking a button within the template. The standardized template assists manufacturers in providing the agency with all necessary data, thereby helping manufacturers to ensure they are complying with CAFE regulations. The template organizes the required data in a manner consistent with NHTSA and EPA regulations and simplifies the reporting process by incorporating standardized responses consistent with those provided to EPA. The template collects the relevant data, calculates intermediate and final values in accordance with EPA and NHTSA methodologies, and aggregates all the final values required by NHTSA regulations in a single summary worksheet. Thus, NHTSA believes that the standardized template will benefit both the agency and manufacturers by helping to avoid reporting errors, such as data omissions and miscalculations, and will ultimately simplify and streamline reporting. NHTSA requires that manufacturers use the standardized Projection Reporting Template for all PMY, MMY, and supplementary CAFE reports beginning in MY 2023. NHTSA also modified its existing compliance database to accept and import the standardized template and automatically aggregate manufacturers' data. This allows NHTSA to execute its regulatory obligations to the public more efficiently and effectively. Overall, the template helps to ensure compliance with data requirements under EPCA/EISA and drastically reduce the industry and government's burden for reporting in accordance with the Paperwork Reduction Act.³ The reporting template is available for download through the PIC located at: https://one.nhtsa.gov/cafe_pic/home- see "Light Duty Templates: NHTSA CAFE Projections Reporting Template".

³ 44 U.S.C. 3501 *et seq.*

To reduce the burden on all parties, encourage compliance, and facilitate quicker NHTSA credit transaction approval, in April 2020 final rule, NHTSA added a new template to standardize the information parties submit to the agency to request a credit transaction. Often manufacturers inconsistently submit the information required by 49 CFR 536.8, making it difficult for NHTSA to process transactions. The credit transaction template is a simple spreadsheet that credit holders and trading parties fill out. When completed, parties are able to click a button on the spreadsheet to generate a credit transaction summary, and if applicable, credit trade confirmation, the latter of which needs to be signed by both trading entities. The credit trade confirmation serves as an acknowledgement that the parties have agreed to trade credits. The completed credit trade summary, and a PDF copy of the signed trade confirmation must be submitted to NHTSA. Using the Credit Transaction Template simplifies the credit trading process for OVSC and manufacturers, and helps to ensure that trading parties follow the requirements for a credit transaction found in 49 CFR 536.8(a).⁴ Additionally, the credit trade confirmation includes an acknowledgement of the “error or fraud” provisions in 49 CFR 536.8(f)-(g), and the finality provision of 49 CFR 536.8(g). The credit transaction template is available for download through the PIC located at: https://one.nhtsa.gov/cafe_pic/home- see “Light Duty Templates: NHTSA CAFE Credit Transaction Template”.

Finally, NHTSA adopted requirements in the 2020 final rule requiring manufacturers to submit the costs of all credit trade contracts to the agency starting September 1, 2022. NHTSA intends to use this information to determine the true cost of compliance for all manufacturers. This information would allow NHTSA to better assess the impact of its regulations on the industry and provide more insightful information in developing future rulemakings. NHTSA also

⁴ Submitting a properly completed template and accompanying transaction letter will satisfy the trading requirements in 49 CFR part 536.

adopted requirements allowing manufacturers to submit the information confidentially, in accordance with 49 CFR part 512.⁵ This confidential information would be held by secure electronic means in NHTSA's database systems. As for public information, NHTSA intends to use the information to provide more credit reports on the PIC such as aggregated credit transactions or data comparable to the credit information which EPA makes available to the public.

In response to NHTSA new templates, manufacturers have identified errors and offered suggestions for improvements. As a result, in the August 2021 CAFE NPRM⁶, NHTSA proposed changes to its new reporting and credit templates as well as established a new standardized template to collect information on the monetary and non-monetary costs of credit trades. NHTSA has identified a series of monetary and non-monetary factors which it believes to be important to the costs associated with credit trading in the CAFE program which predicated the development of its new credit value template.⁷ The agency believes this information will allow for a better assessment of the true costs of compliance. NHTSA further notes that greater government oversight is needed over the CAFE credit market and it needs to understand the full range of complexity in transactions, monetary and non-monetary, in addition to the range of partnerships and cooperative agreements between credit account holders—which may impact the price of credit trades.⁸ NHTSA proposed that manufacturers should start using both credit templates starting September 1, 2022. Note, the credit value template is available for download through the PIC located at: https://one.nhtsa.gov/cafe_pic/home - see “Light Duty Templates: NHTSA CAFE Credit Value Reporting Template”.

⁵ See also 49 U.S.C. 32910(c).

⁶ <https://www.regulations.gov/document/NHTSA-2021-0053-0012/comment>

⁷ UCS, Detailed Comments, NHTSA-2018-0067-12039; Jason Schwartz, Detailed Comments, NHTSA-2018-0067-12162.

⁸ Honda, Detailed Comments, NHTSA-2018-0067-11819.

In the August 2021 rulemaking, NHTSA also committed to demonstrate its templates through a workshop designed to give manufacturers an open forum for communicating directly with the agency. This notice satisfies that obligation and announces the details of the workshop.

Public Workshop Agenda:

8:30-9a.m. - Welcome and Introductory Remarks

9-10a.m. - PMY/MMY Reporting Template (Part 1)

10-11 a.m. - PMY/MMY Reporting Template (Part 2-Examples)

11-11:30a.m. - Credit Transaction Template

11:30 a.m. -12 p.m. Public Information Center Overview

12-1 p.m. - Lunch Break

1-2 p.m. - Credit Value Reporting Template

2-3 p.m. - FAQ Session

3-4 p.m. - CAFE 101 – CAFE Compliance Process Overview

Participation in Virtual Public Hearing

Please note that NHTSA is deviating from its typical approach for public hearings. Because of current CDC recommendations, as well as state and local orders for social distancing to limit the spread of COVID-19, NHTSA is not holding in-person public meetings at this time.

If you do not receive your confirmation email(s), or have further questions about this hearing, please email NHTSA.Communication@dot.gov. NHTSA is committed to providing equal access to this event for all participants. People with disabilities who need additional accommodations should send a request to NHTSA.Communication@dot.gov no later than January 13th, 2022.

Issued in Washington, D.C., under authority delegated in 49 CFR 1.95.

Anne L. Collins,

Associate Administrator for Enforcement.

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